

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GOAS 12-06 State Data Center System
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|--------|---------|--|
| Orig. Comm.: Government Operations Appropriations Subcommittee | | Lloyd | Topp |

SUMMARY ANALYSIS

This Proposed Committee Bill (PCB) amends various provisions of law related to the consolidation of agency data centers to conform to the proposed House of Representatives' General Appropriations Act (GAA) for Fiscal Year 2012-13.

Currently, section 282.201, F.S., establishes a state data center system and requires all agency data centers and computing facilities to be consolidated into a primary data center by 2019. In 2011, the Legislature codified in statute the data center consolidation schedule recommended by the Agency for Enterprise Information Technology (AEIT). The consolidation schedule identified the agencies required to consolidate, the primary data center each agency would consolidate into and the fiscal year the agencies would consolidate.

Additionally, the Legislature established in law the requirement for agencies, primary data centers, and the AEIT to submit consolidation transition plans and identified the components required to be included in these plans.

Specifically, the PCB:

- Amends the schedule for agency data center consolidations and exempts certain agencies from consolidating to a primary data center.
- Deletes the requirement that agencies must submit information relating to their data centers and computing facilities to the AEIT.
- Deletes the requirement for the AEIT to submit a comprehensive transition plan.
- Amends certain duties and responsibilities of a primary data center, to include the Northwest Regional Data Center.

The PCB amends the agency data center consolidation schedule for Fiscal Year 2012-2013, which conforms to the proposed FY 2012-13 House GAA, by making a number of statewide adjustments to appropriations in the various agencies impacted by data center consolidation. These statewide adjustments increased General Revenue by \$1.9 million and decreased trust funds by \$607,577; for a net increase of \$1.33 million.

The PCB has an effective date of July 1, 2012.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Data Center Consolidations

Current Situation

The Legislature established the state data center system and required all agency data centers and computing facilities to be consolidated into a primary data center by 2019.¹ By December 1 of each year, beginning in 2009, the Legislature directed the Agency for Enterprise Information Technology (AEIT) to identify at least two agency data centers or computing facilities for consolidation into a primary data center.²

The Legislature initiated the first phase of data center consolidation in 2009 with proviso included in the fiscal year 2009-2010 General Appropriations Act that required the:

- Florida Parole Commission to transfer its information technology services, to include its data center functions, to the Department of Corrections by July 1, 2009.
- Department of Juvenile Justice to consolidate its data center functions into the Northwood Shared Resource Center (NSRC) by July 1, 2010.
- Department of Business and Professional Regulation to consolidate its data center functions into the NSRC by November 30, 2010.

The AEIT submitted its recommendation as required by law on September 30, 2009,³ for the next phase of data center consolidations and the Legislature directed via proviso in the fiscal year 2010-2011 General Appropriations Act the following consolidations:

To the Northwood Shared Resource Center (NSRC)

- Department of Juvenile Justice by July 1, 2010
- Department of Business and Professional Regulation by November 30, 2010
- Department of Children and Families' Winewood Office Complex by June 30, 2012
- Department of Transportation's Motor Carrier Compliance Office by July 1, 2011.

To the Southwood Shared Resource Center (SSRC)

- Department of Transportation Burns Office Building by March 31, 2012.
- Department of Transportation Survey and Mapping Office by March 31, 2012.

To the Northwest Regional Data Center (NWRDC)

- Department of Education by December 31, 2011.
- College Center for Library Automation by December 31, 2011.
- Florida Center for Library Automation by December 31, 2011.

To the NSRC or SSRC

- Agency for Health Care Administration by June 30, 2012.
- Department of Highway Safety and Motor Vehicles by December 31, 2011.

On December 23, 2010, the AEIT submitted its *Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers by 2019*. This document provided recommendations for the consolidation of all remaining agency data centers and computing facilities.

In 2011, the Legislature codified in statute the recommendations included in AEIT's December 23, 2010, report identifying the agencies required to consolidate into a primary data center within that fiscal year.⁴

¹ 2008-116, Laws of Florida.

² 2008-116, Laws of Florida.

³ *Recommendation of Non-primary Data Centers for Consolidation into Primary Data Centers*. Agency for Enterprise Information Technology, September 30, 2009.

Proposed Change

The PCB amends the agency data center consolidation schedule as follows:

To the NSRC

- Department of Health's Test and Development Lab and all remaining data center resources located at the Capital Circle Office Complex by December 31, 2012.
- Department of Veterans' Affairs by July 1, 2013.
- Department of Legal Affairs by December 31, 2013.
- Department of Agriculture and Consumer Services' Agriculture Management Information Center in the Mayo Building and the Division of Licensing by March 31, 2014.

To the SSRC

- Fish and Wildlife Conservation Commission, except of the commission's Fish and Wildlife Research Institute in St. Petersburg, by July 1, 2013.
- Department of Economic Opportunity by October 31, 2013.
- Executive Office of the Governor, to include the Division of Emergency Management except for the Emergency Operation Center's management system in Tallahassee and the Camp Blanding Emergency Operations Center in Starke, by December 31, 2013.
- Department of Elderly Affairs by March 31, 2014.

To the NWRDC

- Department of Revenue's Carlton Building and Imaging Center locations by September 30, 2012.

The PCB exempts the following from data center consolidation:

- Florida Department of Law Enforcement
- Department of Lottery's Gaming System
- Systems Design and Development in the Office of Policy and Budget
- State Board of Administration

The PCB amends the date that the Department of Financial Services must consolidate from Fiscal Year 2013-2014 to Fiscal Year 2015-2016.

And finally, the PCB requires that each agency identified for consolidation into a primary data center must submit with its respective legislative budget request the specific recurring and nonrecurring budget adjustments of resources by appropriation category into the appropriate data processing category pursuant to the legislative budget request instructions in s. 216.023.

Transition Plans

Current Situation

The Fiscal Years 2009-2010 and 2010-2011 General Appropriations Acts' directed the submission of transition plans for both the agencies identified for consolidation and the primary data centers identified to receive the consolidations; based on requirements established by the AEIT. For the agency transition plans, proviso in Fiscal Year 2010-2011 General Appropriations Act required agencies to include:

- Inventory of all resources;
- Description of resources proposed to remain at the agency;
- Budget, full-time personnel, and contracted services associated with the cost of the agency's current computing services;
- Necessary budget adjustments required to accomplish the transfer of computing resources; and
- Timetable with significant milestones for completion of the relocation.

⁴ 2011-50, Laws of Florida.

Additionally, the Fiscal Years 2009-2010 and 2010-2011 General Appropriations Acts' required the primary data centers to develop and submit a transition plan for absorbing the transfer of customer agency data center resources into their centers. Primary data center transition plans were required to describe and make recommendations relating to issues which need to be resolved to accomplish the transfer.

In 2011 the Legislature codified in statute⁵ the requirement for the development and submission of:

- *Agency transition plans.* Requires plans to be submitted to the AEIT by September 1 of the fiscal year before the fiscal year of the agency's scheduled consolidation and identifies the required components of the plan.
- *Primary data center transition plans.* Requires plans to be submitted to the AEIT, Executive Office of the Governor, and the chairs of the legislative appropriations committees by September 30 of the fiscal year before the fiscal year of the scheduled consolidation and identifies the required components of the plan.
- *Comprehensive transition plan.* Requires the AEIT to develop a comprehensive plan that must be submitted by October 15 of the fiscal year before the scheduled consolidations to the Governor and the chairs of the legislative appropriations committees. The comprehensive transition plan must be developed in consultation with the agencies submitting the agency transition plans and the affected primary data center. The required components of the comprehensive transition plan are also identified.

Proposed Change

The PCB amends the required transition plans as follows:

- *Agency transition plans.* Requires plans to be submitted to the appropriate primary data center by July 1 of the fiscal year before the agency's scheduled consolidation and amends the required components of the plan.
- *Primary data center transitions plans.* Requires plans to be submitted to the AEIT, the Executive Office of the Governor, and the chairs of the legislative appropriations committees by September 1 of the fiscal year before the scheduled consolidation.
- *Comprehensive transition plan.* Eliminates the requirement for AEIT to submit a comprehensive plan.

And finally, the PCB eliminates the requirement that agencies submit certain agency data center information to the AEIT as the information is a component of the agency's transition plan.

Primary Data Centers

Current Situation

In 2009 the Legislature established a primary data center as a part of the state data center system.⁶ As required by s. 282.203, F.S., a primary data center was required to perform several duties, to include providing transparent financial statements to customer entities, the center's board of trustees, and the AEIT.

Additionally, a primary data center was authorized to enter into a memorandum of understanding with the agency where the center was administratively located for the provision of administrative services.

Proposed Change

The PCB amends the duties of a primary data center to include:

- Requiring a primary data center to provide to each agency head by September 1 the projected costs to provide data center services for the next fiscal year.
- Providing a plan for consideration by the Legislative Budget Commission if the governing body of a data center approves the use of a billing rate schedule after the start of the fiscal year that increases any state agency's cost for that fiscal year.

⁵ 2011-50, Laws of Florida.

⁶ 2008-116, Laws of Florida.

- Requiring that any administrative overhead costs charged by the agency providing administrative services to the SSRC and NSRC must be appropriated by a specific appropriation in the General Appropriations Act.

B. SECTION DIRECTORY:

Section 1. Amends s. 282.201, F.S., relating to the state data center system and the schedule for consolidating agency data centers into a primary data center.

Section 2. Amends s. 282.203, F.S., relating to the duties and responsibilities of a primary data center and its board of trustees. Requires Northwood Share Resource Center and the Southwood Shared Resource Center to provide a plan for consideration by the Legislative Budget Commission, if the center's governing body approves a billing rate structure for its state agency customers after the start of a fiscal year that increases any of these customers' costs. In addition, the statute is amended to provide that any administrative overhead costs paid by a primary data center require a specific appropriation in the General Appropriations Act.

Section 3. Amends s. 1004.649, F.S., relating to the Northwest Regional Data Center to require the center to provide a plan for consideration by the Legislative Budget Commission, if the center's governing body approves a billing rate structure for its state agency customers after the start of a fiscal year that increases any of these customers' costs.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

See fiscal comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The PCB amends the agency data center consolidation schedule for Fiscal Year 2012-2013, which conforms to the proposed FY 2012-13 House GAA, by making a number of statewide adjustments to appropriations in the various agencies impacted by data center consolidation. These statewide adjustments increased General Revenue by \$1.9 million and decreased trust funds by \$607,577; for a net increase of \$1.33 million.

Adjustments by department/agency for proposed FY 2012-13 Data Center Consolidation

| DEPARTMENT | GENERAL REVENUE | ALL TRUST FUNDS | |
|----------------------------|--------------------|--------------------|-------------------------|
| AGENCY/HEALTH CARE ADMIN | | \$50,116 | |
| AGENCY/PERSONS WITH DISABL | (\$74,309) | (\$467,907) | |
| BUSINESS/PROFESSIONAL REG | | (\$408,956) | |
| CHILDREN & FAMILY SERVICES | (\$7,096) | \$2,372,391 | |
| CITRUS, DEPT OF | | (\$34,686) | |
| CORRECTIONS, DEPT OF | \$1,762,545 | | |
| ECONOMIC OPPORTUNITY | | \$855,948 | |
| EDUCATION, DEPT OF | (\$96,316) | (\$114,018) | |
| ELDER AFFAIRS, DEPT OF | \$0 | \$0 | |
| ENVIR PROTECTION, DEPT OF | | \$179,204 | |
| FINANCIAL SERVICES | | (\$2,024) | |
| FISH/WILDLIFE CONSERV COMM | | (\$9,612) | |
| GOVERNOR, EXECUTIVE OFFICE | (\$72,923) | (\$38,867) | |
| HEALTH, DEPT OF | | \$34,367 | |
| HIWAY SAFETY/MTR VEH, DEPT | | (\$1,003,575) | |
| JUSTICE ADMINISTRATION | (\$2,699) | | |
| JUVENILE JUSTICE, DEPT OF | (\$175,011) | | |
| MANAGEMENT SRVCS, DEPT OF | (\$4,239) | (\$1,196,196) | |
| MILITARY AFFAIRS, DEPT OF | (\$578) | | |
| PUBLIC SERVICE COMMISSION | | (\$15,953) | |
| REVENUE, DEPARTMENT OF | \$369,899 | (\$96,010) | |
| STATE, DEPT OF | \$230,327 | | |
| TRANSPORTATION, DEPT OF | | (\$711,799) | |
| UNIVERSITIES, DIVISION OF | (\$52) | | |
| VETERANS' AFFAIRS, DEPT OF | \$9,984 | | |
| Grand Total | \$1,939,532 | (\$607,577) | NET: \$1,331,955 |

The increase for the Department of Corrections is based on annualizing prior year's indirect costs and incorporating projected data center costs for FY2012-2013.

The PCB requires the AEIT to develop standards for hardware and operations software for the primary data centers. Such standardization could result in future savings.

Additionally, the PCB requires a primary data center to submit a plan for consideration by the Legislative Budget Commission if the center's board of trustees approves a change to the billing rate schedule after the start of Fiscal Year 2012-2013 that increases any state agency's costs for the fiscal year.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES